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**U.S. Announces Further Consultations in WTO Dispute
with EU over Geographic Indications**

WASHINGTON - The Office of the United States Trade Representative today announced that it has added a new claim to an ongoing World Trade Organization (WTO) dispute with the European Union regarding the EU's failure to protect U.S. trademarked geographic names. Such trademarked names are important in signifying the quality and origin of products such as Idaho Potatoes and Florida Oranges. The dispute is currently in the consultation phase, the initial required step in WTO disputes.

The United States originally requested consultations regarding the EU's denial of national treatment and denial of appropriate protection for trademarks under trade rules contained in the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS). The purpose of the new consultation request is to add an additional claim to the existing WTO case asserting that the EU regulation violates national treatment and most favored nation treatment trade rules contained in another agreement, the General Agreement on Tariffs and Trade (GATT).

The EU does not allow the geographical indications of other Members to be registered to obtain protection unless the other Member provides the same TRIPS-plus protection as the EU. Such "reciprocity" provisions are inconsistent with national treatment and most favored nation obligations under both trade agreements (TRIPS and GATT).

By not allowing the names of food products from the United States or other Members of the WTO to be registered-absent reciprocity, the EU regulation treats imported products in a less favorable manner than EU products and does not grant the advantages that EU products receive to the products of non-EU Members. For example, the EU regulation provides government monitoring and enforcement of European geographical indications, but does not provide the same benefits to non-EU geographical indications.

This is of particular concern to the United States and other WTO Members as the EU is currently pressing for addition protection for EU geographical indications in the Doha Development Agenda while at the same time failing to meet its existing WTO obligations to protect the geographical indications of other WTO Members under its regulation. The United States,

Australia, New Zealand, Canada, Chile and a coalition of other WTO Members sponsored a paper in the WTO outlining why the existing TRIPS Agreement provides sufficient protection for the geographical indications of all WTO Members thus making the EU proposal both unnecessary and prejudicial to Members' existing rights under the Agreement.

Background

Since first initiating this case in 1999, the United States Government and U.S. industry have sought to negotiate an acceptable resolution to our concerns through every available means. Unfortunately, these efforts have thus far failed to resolve the issue. While the EU has proposed making some changes to its regulation, it has not agreed to address our principal concerns with respect to full national treatment and appropriate protection for trademarks. In taking this step today, the United States is indicating its resolve to further litigate this matter while remaining open to a negotiated solution should an acceptable proposal be forthcoming.

Now that a new consultation request has been filed, under the dispute rules of the WTO, if a settlement is not reached within 60 days after the EU receives the request, the United States can ask that a formal WTO dispute settlement panel be established to review the dispute.

Article III of the GATT provides that Members must treat the imported products of other WTO Members in a manner that is "no less favorable" than the treatment given to like domestic products. Article I of the GATT requires that any advantage, favor, or privilege given to the products of one WTO Member must be given immediately and unconditionally to the like products of all others. These obligations are referred to as "national treatment" and "most favored nation."

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